COMMANDERS DIGEST

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PROPERTY OF PRINCETON UNIVERSITY

Defense Dept. Says No To Rumors of 'Freeze' On Discharge, Retirement

"There is no 'freeze' on discharges and retirements in any of the services," the Department of Defense said the last week in January, replying to rumors following the call-up of certain reservists. At present, there is no authority to extend enlistment contracts for enlisted men.

Referring to the status of regular officers, DOD said all services use a selective involuntary retention program.

There is an individual determination as to whether a regular officer's request for voluntary retirement or resignation will be accepted or deferred because his services are needed. The same applies for voluntary retirement for Reserve officers.

Reserve officers' requests for release from active duty are being approved unless the officer has not completed a term of active duty to which he is obligated or for which he consented.

The call-up of certain Ready Reserve units of the Air Force and Navy and the Air National Guard was taken as "a precautionary measure to strengthen our forces" following the capture of the USS Pueblo by North Koreans on Jan. 23.

Although there was no call-up of Army and Marine Corps Reserve units, procedures on exemptions were spelled out should the situation change:

- If Army Reserve and/or National Guard units are called to active duty, exemption policies are covered in AR 601-25.
- If any Marine Corps units are called, the Marine Corps will decide

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FY69 Defense Budget Request Totals Record $79.5 Billion

A record $79.5 billion proposed Department of Defense budget for fiscal 1969 has been presented to Congress by President Johnson.

An increase of $2.9 billion over last year's DOD request, the FY69 defense budget proposal represents more than a third of the total $186.1 billion national budget outlined by President Johnson in his annual budget message to the Congress. (See table, page 3, for breakdown of Defense budget items.)

ARMAMENT CONFERENCE—An impromptu discussion of weapons loading techniques for the Navy's new A7A Corsair II aircraft is held aboard the USS Ranger off the coast of Vietnam by (left to right), RAdm. Ralph W. Cousins, Commander Task Force 77; RAdm. John P. Weinel, Commander Task Force 77.7; Capt. William E. Donnelly Jr., USS Ranger Commanding Officer, and Cdr. James C. Hill, Commanding Officer, Attack Squadron 147.

According to DOD officials, the FY69 proposed military spending program reflects White House policy of holding down costs through careful selection among existing and new programs.

Defense Department officials said the FY69 request encompasses a Total Obligational Authority of $82.4 billion, New Obligational Authority of $79.5 billion and expenditures of $77.1 billion.

Explaining his basic budget approach, President Johnson said that faced with "a costly war abroad and urgent requirements at home, we had to set priorities. And 'priority' is but another word for 'choice.' We cannot do everything we wish to do. And so we must choose carefully among the many competing demands on our resources."

Further outlining the selection process, the President said he carefully examined the broad range of defense and civilian needs and proposed "selective expansion of existing programs or the inauguration of new programs only as necessary to meet those urgent requirements whose fulfillment we cannot delay."

President Johnson highlighted certain DOD programs in his budget message such as the funding for Sentinel System. Anti-Ballistic-Mis-

(Continued on page 2)

Management Committee Forms

A DOD-Industry Management Systems Advisory Committee has been established to provide a channel for the industrial community and DOD representatives to discuss problems in implementing resource management systems.

Chairman of the committee is Col. Herbert Waldman, USAF, Director for Assets Management Systems, Office of the Assistant Secretary of Defense (Comptroller).

SecDef Directs Army To Suspend Manufacture Of IMR-type M-16 Ammo

The Secretary of Defense has directed the Army to suspend the manufacture of 5.56 mm ammunition loaded with Improved Military Rifle (IMR) powder, and halt distribution of the ammo in Vietnam.

The order came after tests of the M-16 rifle in Panama indicated "substantial differences" in malfunction rates when the IMR powder was compared to ball powder used in the tests.

The difference between the two propellents has led DOD to the "tentative conclusion that the ball propellent is significantly better."

DOD officials said the suspension order is precautionary and will be reviewed after detailed analysis of test data has been completed. The order does not apply to tracer rounds.

Both types of ammunition are available in Vietnam, but Defense officials see no shortages resulting from the order suspending production of the IMR ammunition. They said there are several months supply of the ball powder ammunition in the combat zone.

The IMR powder, which has a different burning temperature and pressure characteristic than ball powder, makes up about 25 percent of the total stock of 5.56 mm ammunition.

Reserve Call-up

(Continued from Page 1)

at that time who, if anyone, will be exempt. At this time, no one would be exempt.

For the services—Navy and Air Force—involved in the recent call-up, "all high school students are exempt."

In addition, the Air Force is looking into all other possible exemption areas.

In the Navy, high school graduates or drop-outs are scheduled for call-up. College students can be deferred until the end of their current quarter, semester or trisemester. College seniors can request an additional quarter, semester or trisemester if this would permit them to graduate.

Defense Budget Highlights

(Continued from page 1)

siles (ABM) and the procurement of various models of the F-111 aircraft. Mr. Johnson told Congress that "while we stand ready to enter meaningful discussions with the Soviet Union on the limitation of strategic forces, it is necessary to assure that our defense capabilities remain equal to any challenge or threat."

Defense officials provided the following summary of major programs in the budget request:

- $1.1 billion for procurement of the Sentinel ABM system, funds to include research and development, construction and operation.
- Another $1.1 billion for 163 Air Force F-111A and F-111D (incorporates Avionics II superior firepower system) models.
- $550 million for 75 Strategic Air Command FB-111 bombers.
- $350 million for 30 Navy F-111B aircraft.
- About $500 million for conversion of Polaris submarine to Poseidon capability.
- Conversion of Minuteman I ICBMs to Minuteman III, with an R&D contract definition for a "superhard silo" construction effort.
- New Navy ship-building of 25 new ships, plus conversion of 43 other vessels, to include funding for five new DX type destroyers, 2 nuclear guided DXGN destroyers, 2 nuclear attack submarines, 1 LHA general purpose amphibious assault ship, plus advanced procurement for 3 more, and 4 FDL fast deployment logistical ships.

In the R&D area, Defense officials said the proposal would provide funds for contract definition of such weapon systems as the F-106X improved interceptor, over-the-horizon radar, light intra-theater transport aircraft, the LFS landing force support ship, the MICV-70 mechanized infantry combat vehicle, the 155 mm. self-propelled howitzer, the VRFWS vehicle rapid fire system, and the ARM anti-radiation missile.

Air Force's Manned Orbiting Space Laboratory (MOL) received an increase of $340 million to $600 million, Defense officials said.

They also noted R&D funds for the Navy's VSX anti-submarine aircraft and a new replacement fighter for the F-4 (Navy version called FAX; Air Force, FX).

A projected decline in armed forces military strength from the FY68 estimate of 3,489,876 to the FY69 end-strength estimate of 3,477,520 was explained by Defense officials as resulting from a leveling off in Vietnam manpower requirements.

Concerning the monetary cost of Vietnam, Mr. Johnson said:

"We are now spending approximately $25 billion annually to support our efforts in Vietnam—in the four fiscal years, 1966 through 1969 combined, we will have spent more than $75 billion. Our annual expenditure for this purpose amounts to about three percent of the gross national product."

Defense officials explained, meanwhile, that barring unforeseen circumstances they still will make good their goal of not having to present this year a supplementary budget for Vietnam to Congress.

While they indicated it is still too early to set precisely the cost of the January call-up of air reservists in the "Pueblo Incident," they estimated the cost at about $10 million monthly.

Defense officials said the new "accrued expenditure basis" introduced into the Federal Budget method for the first time this year has relatively little effect on DOD.

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Department of Defense

Direct Budget Plan (TOA), New Obligational Authority, and Expenditures

Fiscal Years 1967 - 1969

(Millions of Dollars)

	Direct Budget Plan (TOA)			New Obligational Authority			Expenditures		
	FY67	FY68	FY69	FY67	FY68	FY69	FY67	FY68	FY69
Functional Classification									
Military Personnel									
Active Forces	17,318	19,192	19,786	17,426	19,192	19,786	17,054	18,850	19,600
Reserve Forces	918	935	953	951	935	953	902	890	905
Retired Pay	1,831	2,072	2,275	1,839	2,072	2,275	1,830	2,060	2,265
Proposed Legislation	—	—	23	—	—	23	—	—	23
Total—Military Personnel	20,067	22,199	23,037	20,216	22,199	23,037	19,787	21,800	22,793
Operation and Maintenance									
Basic	19,361	20,548	22,787	19,434	20,548	22,787	19,000	19,800	22,213
Proposed Legislation	—	—	52	—	—	52	—	—	47
Total—Operation & Maintenance	19,361	20,548	22,839	19,434	20,548	22,839	19,000	19,800	22,260
Subtotal—Operations	39,428	42,747	45,876	39,650	42,747	45,876	38,787	41,600	45,053
Procurement	24,110	22,378	25,816	22,871	20,716	23,254	19,012	21,470	23,445
Research, Dev., Test, and Eval.	7,289	7,415	8,031	7,172	7,148	8,006	7,160	7,200	7,800
Military Construction	1,160	1,505	1,440	1,098	1,405	1,430	1,536	1,565	1,450
Family Housing	439	604	538	507	691	602	482	520	570
Civil Defense	101	86	77	101	86	77	100	93	89
Special Foreign Currency Program	4	—	16	7	—	13	—	2	6
Working Capital Accounts	—	—	—	535	118	—	512	1,400	-1,614
Military Assistance	904	484	620	782	400	540	873	550	525
Receipts and Funds Transactions	—	—	—	268	43	-221	-129	-181	-211
Total—Department of Defense	73,436	75,219	82,414	72,992	73,355	79,576	68,331	74,219	77,113
Department or Agency									
Department of the Army	22,438	24,129	25,974	22,876	23,502	25,150	20,961	23,988	24,869
Department of the Navy	21,522	21,110	23,928	20,669	20,212	22,981	19,246	20,801	22,014
Department of the Air Force	24,708	25,052	26,969	24,195	24,410	26,003	22,918	24,582	25,447
Defense Agencies/OSD	3,763	4,358	4,770	3,970	4,545	4,830	4,241	4,230	4,169
Civil Defense	101	86	77	101	86	77	100	93	89
Proposed Legislation	—	—	75	—	—	75	—	—	70
Total—Military Functions	72,532	74,735	81,794	71,809	72,755	79,116	67,466	73,694	76,658
Military Assistance[1]	904	484	620	1,183	600	460	865	525	455
Total—Department of Defense	73,436	75,219	82,414	72,992	73,355	79,576	68,331	74,219	77,113

Notes:

(1) FY1968 TOA and NOA amounts include proposed supplemental appropriations to finance recently enacted legislation: $600 million for military pay increase; $196 million for civilian pay increase; and $4 million for postal rate increase. Also included are adjustments for inter-appropriation transfers of $1,695,600,000 as contained in the budget revision shown in the President's FY1969 Budget.

(2) FY1969 TOA and NOA amounts include $75 million for proposed legislation.

[1] Amounts include the applicable portion of "Receipts and Funds Transactions" itemized separately in the functional classification section above.

OASD (Comptroller)
January 29, 1968

Defense Property Values Increase $12 Billion in FY67

Monetary value of Department of Defense property increased $12 billion during the past fiscal year and totalled $195.6 billion on June 30, 1967.

These figures on "Real and Personal Property of the Department of Defense" are part of a 185-page report given in January to the President and Congress by the Secretary of Defense.

The National Security Act of 1947 requires an annual property report on "the fixed property, installations, and major equipment items, and stored supplies of the Military Departments maintained on both a quantitative and monetary basis."

The report said the value of supply inventories to the value of weapons continues to drop.

"In 1959, the value of supply inventories was 70 percent of the value of weapons; by 1961, this had been reduced to a little over 60 percent; at the end of 1964, it had dropped below half to 47.8 percent, and today stands at 43.3 percent," the report said.

Mr. McNamara noted the interaction between "the mounting cost of weapons" and "the generally decreasing value of inventories in store" had been reduced in the reporting period "by a little more than nine percent."

In this regard, he said, "the facts show that today, for each dollar of operational equipment, only 43 cents is tied up in bases and depots, whereas seven years ago 62 cents was required."

Secretary McNamara reported a $3.6 billion increase of property value during FY67 for Navy and Marine Corps, almost $4 billion more to a $72.5 billion total for Air Force, and $3.6 billion additionally to $41.8 billion for Army.

Assistant SecDef Warnke Discusses Military-Civilian Security Relationships

There is no longer any clear-cut distinction between military and civilian responsibility for national security, according to Paul C. Warnke, Assistant Secretary of Defense for International Security Affairs.

"In today's world, there can no longer be a U.S. foreign policy and a separate U.S. military policy, the latter to be used when and if the former fails," Mr. Warnke said Jan. 18 in Seattle.

Speaking before the World Affairs Council of Seattle, Mr. Warnke stated that with our national security "inescapably" linked to that of other nations, "the management of that national security requires the application of the entire complex of our political, military and economic skills."

He pointed out that in pursuit of this collective security policy, "we have developed a system of multilateral and bilateral alliances linking us with more than 40 other nations."

Thus, he said, the immediate and direct responsibility for national security in today's complicated world situations rests with the heads of state and their advisors. With the ever present threat of nuclear holocaust, he said, "they cannot responsibly surrender control over even the detailed use of our military capabilities."

Mr. Warnke explained that the President's advice in national security matters doesn't come from the Defense Department alone, or from just the State Department or his own White House staff. Rather, he said, the political-military, economic and technological considerations are reviewed by people within the Defense Department, the State Department's political-military affairs office, the National Security Council, and by a special White House assistant on national security, in addition to the nongovernmental national security community comprised of leading corporation and independent experts.

Examples of the necessary blending of military and political actions in national security can be found in U.S. troops stationed overseas and the supplying of military equipment to foreign countries, he said.

Pointing to the 200,000 American troops in Europe, Mr. Warnke said, "the military justification for their presence is determined by an assessment of the possible military threats and the contingency plans that have been developed to meet them. But entirely apart from their possible utilization, any significant increase or decrease in the number of troops has political implications of a foreign policy nature. . . ."

On the issue of arms sales, he said the President must consider possible effects on leaders of a foreign government should the U.S. refuse to sell.

Should the country be unable to obtain the equipment from the U.S., it might turn to another source of supply, which could "eliminate all restraints on the supply of sophisticated and expensive weapons," he said.

AF Enlisted Promotions Continue on Upgrade

Promotions in the Air Force's top six enlisted grades continue to show improvement, according to statistics released by Personnel officials.

"Promotion opportunities," officials said, are now the best since the Korean War.

Statistically, top six promotion allocations planned for FY68 will reach more than 167,000. The FY69 programming is even better, with more than 215,000 promotions planned.

Air Force personnel planners say a five-year enlisted promotion program will be reached in FY70. They said the program has been "very promising" and is making up for past deficits.

The plan is also expected to prevent a recurrence of grade structure problems encountered following World War II and Korea.

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